

Approved:

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Michael D. Lockard / Seetha Ramachandran  
Assistant United States Attorneys

Before: HONORABLE DOUGLAS F. EATON  
United States Magistrate Judge  
Southern District of New York

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UNITED STATES OF AMERICA : SEALED COMPLAINT

-v- : Violation of  
18 U.S.C. § 1349

DUSTIN DENTE, and :  
BRANDON LISI, : COUNTY OF OFFENSE:  
NEW YORK

Defendants.

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SOUTHERN DISTRICT OF NEW YORK, ss.:

RICHARD P. SMYTHE JR., being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation and charges:

COUNT ONE

(Conspiracy to Commit Bank Fraud and Wire Fraud)

1. From at least in or about 2006 through in or about March 2009, in the Southern District of New York and elsewhere, DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Sections 1343 and 1344 of Title 18, United States Code.

2. It was a part and an object of the conspiracy that DUSTIN DENTE, and BRANDON LISI, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings,

signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

3. It was further a part and an object of the conspiracy that DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, would and did execute and attempt to execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

#### Overt Acts

4. In furtherance of the conspiracy and to effect the illegal objects thereof, DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about April 2007, BRANDON LISI, the defendant, attended a foreclosure auction for the sale of 2 Arista Court in Dix Hills, New York, and paid approximately \$70,000 as a downpayment intending for the property to be purchased by a straw buyer ("Straw Buyer-1"), located in New York, New York.

b. On or about May 22, 2007, DUSTIN DENTE and BRANDON LISI, the defendants, caused IndyMac, a mortgage lender, to wire a total of approximately \$799,000 into DENTE's IOLA bank account<sup>1</sup>, located in White Plains, New York.

c. On or about August 31, 2007, DUSTIN DENTE and BRANDON LISI caused GMAC, a mortgage lender, to wire approximately \$1,280,431 into DENTE's IOLA bank account, located in White Plains, New York.

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<sup>1</sup> An Interest On Lawyer Account ("IOLA") bank account is a specific kind of attorney trust account into which lawyers are authorized to deposit client and escrow funds.

d. On or about November 13, 2007, DUSTIN DENTE, the defendant, attended a foreclosure auction in Mineola, New York, for the sale of 1028 Knabbe Court, Uniondale, New York, and paid approximately \$25,000 as a downpayment on the purchase of the property.

e. On or about March 11, 2008, DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, caused Washington Mutual, a mortgage lender, to wire approximately \$395,985 into DENTE's IOLA Account, located in White Plains, New York.

f. On or about March 18, 2008, DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, caused IndyMac, a mortgage lender, to wire approximately \$365,153 into DENTE's IOLA Account, located in White Plains, New York.

g. In or about April 2008, DUSTIN DENTE, the defendant, met with two straw buyers ("Straw Buyer-2" and "Straw Buyer-3") in Roslyn Heights, New York, and provided them with documents to sign in connection with the purchase of 1028 Knabbe Court in Uniondale, New York, and 3516 Neptune Avenue, Brooklyn, New York.

(Title 18, United States Code, Section 1349.)

The bases for my knowledge and for the foregoing charge are, in part, as follows:

5. I am a Special Agent with the Federal Bureau of Investigation ("FBI"), and have been personally involved in the investigation of this matter. This affidavit is based upon my conversations with law-enforcement agents and others, and my examination of reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

#### The Scheme To Defraud

6. As detailed below, DUSTIN DENTE and BRANDON LISI, the defendants, and others known and unknown, participated in a

scheme to obtain, and assist others in obtaining, certain home mortgage loans from various lending institutions through fraud (the "lenders"). Through their scheme, the defendants obtained numerous home mortgage loans under false and fraudulent pretenses, with a total face value of over \$3.5 million, many of which are now in default and/or foreclosure. In some instances, there is probable cause to believe that, as part of the scheme to defraud, the defendants obtained mortgage loans in amounts greater than the purchase price for the properties, and kept or misappropriated a portion of the funds provided by the mortgage lenders for their own uses.

7. I have spoken with a confidential source ("CS-1")<sup>2</sup>, who informed me, in substance and in part, of the following:

a. From at least in or about 2006, DUSTIN DENTE was an attorney, with offices in Rosedale, New York. Beginning in or about 2006, BRANDON LISI worked in DENTE's law practice. I am aware that LISI is currently an attorney from information I reviewed from the New York State Unified Court System.

b. In or about 2006, CS-1 entered into an agreement with DENTE and LISI whereby CS-1 would identify properties offered for sale under distress or in foreclosure (the "target properties"), and would procure straw buyers whose credit could be used to obtain mortgages to buy the target properties.<sup>3</sup> DENTE and LISI would then obtain mortgage loans in the names of the straw buyers, make payments on those mortgages, and maintain and/or rent the target properties until they could be flipped for a profit.<sup>4</sup> CS-1, DENTE, and LISI agreed that the profits from

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<sup>2</sup> Information provided by CS-1 in the course of this investigation has proven trustworthy and has been corroborated by other evidence.

<sup>3</sup> Based on my training and experience in mortgage fraud investigations, I know that a "straw buyer" is typically a person with minimal real estate experience who allows his or her name and good credit to be used to obtain a mortgage loan, often because they are told that the purchases are a good investment opportunity.

<sup>4</sup> Based on my training and experience in mortgage fraud investigations, I know that "flipping" is a term primarily used

flipping the target properties would be shared among themselves and the straw buyers.

c. In or about 2006, CS-1 introduced DENTE and LISI to Straw Buyer-1, an individual whose good credit could be used to purchase properties that would then be controlled by DENTE and LISI. DENTE and LISI then used Straw Buyer-1 to obtain mortgage loans for properties located at 135 Woodhill Lane, Manhasset, New York, and 2 Arista Court, Dix Hills, New York.

d. In or about January 2007, DENTE and LISI purchased 135 Woodhill Lane, Manhasset, New York, for approximately \$1.3 million, and obtained a mortgage in Straw Buyer-1's name from Countrywide, a mortgage lender, to finance the purchase of the property. I have reviewed a document showing that as of January 2009, the amount owed on that loan was approximately \$995,213. After purchasing 135 Woodhill Lane, Manhasset, New York, in Straw Buyer-1's name, DENTE and LISI obtained from GMAC a second mortgage on that property for approximately \$1.28 million, without Straw Buyer-1's knowledge. I have reviewed a document that shows that such a mortgage was obtained from GMAC, in or about August 2007, in Straw-Buyer-1's name. I have also spoken with Straw Buyer-1, who confirmed that he had no knowledge of that second mortgage at the time it was issued, and did not authorize it.

e. In or about April 2007, LISI attended an auction for the sale of 2 Arista Court in Dix Hills, New York, and paid approximately \$70,000 as a downpayment on a total purchase price of approximately \$710,000, intending for the property to be purchased by Straw Buyer-1, located in New York, New York. DENTE and LISI then obtained two mortgage loans totaling approximately \$799,000 from IndyMac in Straw Buyer-1's name for the purchase of 2 Arista Court in Dix Hills, New York. I have reviewed the loan applications that DENTE and LISI submitted to IndyMac, purportedly signed by Straw Buyer-1, and those applications state that Straw Buyer-1 was purchasing 2 Arista Court, Dix Hills, New York, as a primary residence. I have spoken to Straw Buyer-1, who confirmed that he did not intend to use the property as his primary residence and was instead purchasing it as an investment. Based on my training and

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to describe the practice of buying an asset (usually real estate) and quickly reselling, or "flipping," it for a profit.

experience, I know that mortgage lenders approve mortgage loans at a lower interest rate when the borrower indicates on the loan application that the property is being purchased as a primary residence.

f. On or about November 13, 2007, DUSTIN DENTE, the defendant, attended a foreclosure auction in Mineola, New York, for the sale of 1028 Knabbe Court in Uniondale, New York, and paid approximately \$25,000 as a downpayment, on a total purchase price of \$250,000. I have also reviewed a Memorandum of Sale, provided by CS-1, showing that \$25,000 was paid at the auction as a downpayment on a total purchase price of \$250,000.

g. In or about 2008, CS-1 introduced DENTE and LISI to Straw Buyer-2 and Straw Buyer-3, a married couple whose good credit could be used to purchase properties that would then be controlled by DENTE and LISI. DENTE and LISI then used Straw Buyer-2 and Straw Buyer-3 to obtain mortgage loans for properties located at 1028 Knabbe Court, Uniondale, New York, and 3516 Neptune Avenue, Brooklyn, New York. I have reviewed a loan application that DENTE and LISI submitted to IndyMac, purportedly signed by Straw Buyer-2 and Straw Buyer-3, which states that Straw Buyer-2 and Straw Buyer-3 were purchasing 1028 Knabbe Court, Uniondale, New York, as their primary residence, that there was a sale pending for the condominium in which they currently resided for approximately \$260,000, that the outstanding mortgage on that condominium was approximately \$159,000, and that they had owned that condominium for ten years. According to CS-1, Straw Buyer-2 and Straw Buyer-3 did not intend to use 1028 Knabbe Court, Uniondale, New York, as a primary residence, had only purchased the condominium in which they currently resided in 2007, had no intention to sell that property. According to CS-1, he had also discussed with DENTE and LISI that Straw Buyer-2 and Straw Buyer-3 intended to purchase 1028 Knabbe Court, Uniondale, New York, as an investment, rather than for use as a primary residence.

h. In or about April 2008, DENTE and LISI represented to CS-1, Straw Buyer-2, and Straw Buyer-3, that the sale of 1028 Knabbe Court, Uniondale, New York, to Straw Buyer-2 and Straw-Buyer-3 had successfully closed. According to CS-1 however, foreclosure proceedings continued against the property after the purported sale. I have reviewed information from the Nassau County Clerk's Office showing that title for 1028 Knabbe Court, Uniondale, New York, was never transferred to Straw Buyer-

2 and Straw Buyer-3, despite a mortgage on that property recorded in their names for approximately \$360,000. Instead, the information I reviewed shows that the original owners against whom foreclosure proceedings were filed retain title to 1028 Knabbe Court, Uniondale, New York. Based on my training and experience, and on information obtained from CS-1 and from the Nassau County Clerk's Office, it appears that the mortgage proceeds obtained from IndyMac for the purchase of this property were misappropriated by the defendants.

8. During the course of this investigation, I have obtained and reviewed bank records, including bank records for an IOLA bank account of DUSTIN DENTE, the defendant. I have also spoken with representatives of the bank where that IOLA bank account is located. From my review of these bank records and my discussion with bank representatives, I have learned, in substance and in part, the following, among other things:

a. DENTE maintains an IOLA bank account in which he has received the proceeds of mortgages obtained through Straw Buyer-1, Straw Buyer-2, and Straw Buyer-3.

b. On or about May 22, 2007, IndyMac wired a total of approximately \$799,000 in mortgage loan proceeds into DENTE's IOLA bank account, for the purchase of 2 Arista Court, Dix Hills, New York, by Straw Buyer-1. I have also spoken with another FBI Special Agent involved in this investigation who obtained information from an employee of IndyMac confirming that IndyMac issued a mortgage loan of approximately \$787,000 to Straw Buyer-1 for the purchase of 2 Arista Court, Dix Hills, New York.

c. On or about August 31, 2007, GMAC wired approximately \$1,280,431 in mortgage loan proceeds into DENTE's IOLA bank account, which was obtained through a second mortgage on 135 Woodhill Lane, Manhasset, New York, in Straw Buyer-1's name.

d. On or about March 11, 2008, Washington Mutual, wired approximately \$395,985 into DENTE's IOLA Account, for the purchase of 3516 Neptune Avenue, Brooklyn, New York, by Straw Buyer-2 and Straw Buyer-3.

e. On or about March 18, 2008, IndyMac wired approximately \$365,153 into DENTE's IOLA Account, for the purchase of 1028 Knabbe Court, Uniondale, New York, by Straw

Buyer-2 and Straw Buyer-3. Within a week after those funds were deposited into DENTE's IOLA account, approximately \$44,000 was wired to an employee at DENTE's law office, and approximately \$40,000 was wired to two different bank accounts controlled by DENTE. I have also reviewed information showing that the original owners against whom the foreclosure proceedings were filed retain title to 1028 Knabbe Court, and that title was never transferred to Straw Buyer-2 or Straw Buyer-3.

WHEREFORE, deponent prays that a warrant be issued for the arrest of the above-named individuals and that they may be arrested and imprisoned or bailed as the case may be.

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Richard P. Smythe Jr.  
Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
14th day of October, 2009

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HONORABLE DOUGLAS F. EATON  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK